



# CITY OF ST. LOUIS

**DEPARTMENT OF PERSONNEL**

**FIXED ASSET REVIEW**

**PROJECT #2018-FA11**

**DATE ISSUED: NOVEMBER 5, 2018**

**Prepared by:  
Internal Audit Section**



## OFFICE OF THE COMPTROLLER

**HONORABLE DARLENE GREEN, COMPTROLLER**



OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



DARLENE GREEN  
Comptroller

212 City Hall  
(314) 622-4389  
FAX: (314) 622-4026

November 5, 2018

Richard R. Frank, Director  
Department of Personnel  
1114 Market Street, Room 700  
St. Louis, MO 63101-2043

RE: Fixed Asset Review (Project 2018-FA11)

Dear Mr. Frank:

The Internal Audit Section has completed a fixed asset review of the Department of Personnel (#123). Enclosed is the report of our review. A description of the scope of our work is included in the report.

Fieldwork was completed on September 7, 2018. Management response to our observations and recommendations was provided by the department on October 26, 2018, and has been incorporated in this report.

This review was made under authorization contained in Article XV, Section 2, of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

If you have any questions, please contact the Internal Audit Section at (314) 657-3446.

Respectfully,

Mohammad H. Adil, CPA, CGMA  
Internal Audit Supervisor

Enclosure

CC: Linda Thomas, Deputy Director  
Biannca Lambert, Personnel Services/FAMS Coordinator  
Briyan Boeckelmann, Manager, Personnel Services



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**SUMMARY**

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**Background**

The Department of Personnel (Department) is responsible for providing a well-qualified, and diverse workforce to serve the area's citizens by hiring, training and maintaining the City's workforce through recruitment, development, and administration of examinations for jobs and service rating systems. The Department also oversees the employee benefits for health, life, and supplemental insurance, along with health maintenance and wellness programs.

The Department is also responsible for managing its fixed assets and property control items and complying with the City's Fixed Asset Management System (FAMS) Policy and Procedures.

**Purpose**

The purpose of our review was to determine if risks related to fixed assets were effectively and efficiently managed to ensure:

- Compliance with applicable policies and procedures.
- Safeguarding of assets.
- Reliability and integrity of the Fixed Assets Property Listing (FAPL).
- Economical and efficient use of resources.

**Scope and Methodology**

The review was confined to evaluating the Department's internal controls over its fixed assets and property control items in accordance with the FAMS Policy and Procedures as of February 28, 2018. The review procedures included:

- Inquiries of management and staff.
- Reviews for compliance with policies and procedures.
- Limited tests of related controls.
- Other procedures considered necessary.

**Conclusion**

The opportunity exists for the Department to improve internal controls over its fixed assets and property control items.

**Current Observations**

1. Inadequate Internal Controls
2. Items Not Located
3. Newly Acquired Property Control Items Not Properly Listed

**Management Response**

The Department declined an exit conference. However, the Department responded to the observations and recommendations noted in the report on October 26, 2018, which has been incorporated into this report.

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**DETAILED OBSERVATIONS AND RECOMMENDATIONS**

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**1. Inadequate Internal Controls**

We discussed and completed a Fixed Asset Questionnaire with the Department's staff and noted the following:

- A sample of the Department's internal listing of the fixed assets and property control items was not provided as requested.
- The internal listing was said to be reconciled to the FAPL quarterly with the last reconciliation occurring March 2018, but IAS was not provided documentation of the reconciliation as requested.
- The last annual physical inventory performed was in March 2017, but IAS was not provided documentation of the inventory as requested. The prior coordinator did not have time to complete a 2018 physical inventory before her departure.
- The Department had lease agreements for copiers used by the office, but IAS was not provided a copy or summary of the lease agreements.

**Recommendation**

We recommend that the Department ensure that:

- Internal listings of fixed assets and property control items are maintained.
- Reconciliation of the internal listing to the FAPL is documented and maintained.
- Documentation of the annual physical inventory is maintained.
- Lease agreements for equipment used are maintained on location.

***Management Response***

*The Department signed and dated the draft copy of the observation to note its agreement with the observation.*

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**2. Property Control Items Not Located**

We could not locate 94 property control items from the Department's most recent FAPL dated February 28, 2018, as follows:

<b>Item</b>	<b>Description</b>	<b>Acquisition Date</b>	<b>Serial Number</b>
1	55 Compaq-Armada, DeskPro, Prolineas	1991, 1996, 1998, 2001	Various
2	3 Toshiba Notebook laptops	1995	SN s01534282, SN s02534436, SN s02534446
3	Dell Latitude D510 Laptop	2006	not listed
4	9 Hewlett Packard LaserJet 4+ Printers	1995	Various
5	Hewlett Packard LaserJet 4250	6/1/2005	Not listed
6	11 Hewlett Packard LaserJet 4000 Printers	7/1/1998	Various
7	4 Hewlett Packard LaserJet 5 Printers	9/1/1997	Various
8	Hewlett Packard LaserJet III	6/1/1991	SN 3104JA2814
9	Laser Printer Model LN03-AA Digital Equip Corp	1/1/1991	SN RG00598507
10	Letter Printer Model LN210-AA Digital Equip Corp w Forms Tractor, Stand, Shelf and Tray	1/1/1991	SN TA00413830
11	Eight Port Async Module for DEC Microvax 1x Model DHQ11-M	1/1/1991	SN AS005264241
12	MicroFische Reader 16mm Cartridge, 3M Model 702 Cartridge Reader	1/1/1975	SN 781626
13	Blu Ray DVD and Duplicator CD USB w/Hard Drive	6/1/2016	SN OA5W1RCH101721
14	Board Visual Wood Cabinet	4/1/1993	Not listed
15	Epson Powerlite Projector	11/1/2007	SN JJQF770328L
16	Panasonic Camcorder WHS with Tripod	3/1/1989	SN K8HD02771
17	Video Recording System consisting of 1 Video Cassette Recorder, Sony Model VO-2800, Sony Trinitron 19 in Color TV with Stand	1/1/1978	Not listed

According to the department staff, items were not located because the description did not include the serial number or the items had been replaced, retired or no longer used by the department. Also, current staff believed that the prior coordinator or another department had completed the forms to have the items removed from the FAPL.

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**Recommendation**

We recommend that the Department:

- Identify all retired and surplus items, including those listed in this review and have them removed from the FAPL by completing the proper FAMS forms and submitting the forms to the Comptroller's Office FAMS Coordinator.
- Set up a system of internal controls to ensure that all future replacements, retirements, surpluses and dispositions of items are:
  - Approved by Supply Division or ITSA as appropriate.
  - Removed from the FAPL reports timely by preparing the proper forms for submission to the Comptroller's Office FAMS Coordinator.

**Management Response**

*The Department signed and dated the draft copy of the observation to note its agreement with the observation.*

**3. Newly Acquired Property Control Items Not Properly Listed**

We attempted to verify the existence of 18 recently acquired pieces of the fitness equipment in the Employee Fitness Room as listed on the FAPL dated February 28, 2018, and noted the following:

- Serial numbers were not included with the descriptions for the items on the FAPL, making identification difficult.
- Two other pieces recently acquired and observed in the fitness room were not listed on the FAPL.

**Recommendation**

We recommend that the Department complete the required FAMS forms to:

- Add the two omitted items to the FAPL.
- Update the descriptions as listed on the FAPL of all recently acquired items including a serial number, model number, and brand name as well as other identifying information to facilitate their verification.

**Management Response**

*While all pieces were accounted for, the Employee Benefits Section will include serial numbers for each piece, in addition to adding a matching sticker for ease of audit.*

